

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2793-01
Bill No.: Perfected HB 1242
Subject: Licenses-Motor Vehicle; Motor Vehicles; Revenue Dept.
Type: Original
Date: March 5, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
#Highway Fund	\$0	\$0	\$0
#Total Estimated Net Effect on <u>All</u> State Funds*	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
#Cities	\$0	\$0	\$0
#Counties	\$0	\$0	\$0
#Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Highway and Transportation** and **Budget and Planning** were unable to provide an estimate for this proposal, therefore they must rely upon the DOR's response.

Officials from the **Department of Revenue (DOR), Division of Motor Vehicle and Drivers Licensing (MVB)** could not determine the number of Prevent Disasters in America plates that will be requested. This will have an unknown impact on the MVB.

The provisions of this proposal authorize a specialized Prevent Disasters in America license plate. Each applicant must pay an additional \$15 fee for the plate. This proposal will have an impact on revenue; however, because the MVB does not know the number of individuals who will apply for this special plate, the revenue increase cannot be determined. This will have an unknown revenue increase.

To implement this legislation, the Department of Revenue will require additional funds. In the past, the programs included in this legislation have been paid for with highway funds. This year, however, highway funds may not be available for this purpose as a result of legislation enacted by the General Assembly in 2000 that limits the use of highway funds.

DOR states if highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

Oversight assumes that a limited number of special license plates would be issued under this proposal and the resulting fiscal impact would be minimal and could be absorbed with existing resources. If unexpected costs are incurred, or a significantly larger number of plates are issued than expected, then additional resources could be requested through the normal budget process. Also, if additional special license plates are authorized then additional resources could be requested through the normal budget process.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
HIGHWAY FUNDS			
<u>Income</u> - Department of Revenue			
Special license plate fees	\$0	\$0	\$0
<u>Cost</u> - Department of Revenue	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON HIGHWAY FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Income</u> - Cities			
Special license plate fees	\$0	\$0	\$0
<u>Income</u> - Counties			
Special license plate fees	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Small Business</u>			

No direct fiscal impact to small businesses would be expected as a result of this proposal.


DESCRIPTION

This bill allows for a special license plate bearing the words "PREVENT DISASTERS" for any person who wants to pay tribute to the disaster relief efforts made in the aftermath of the events of September 11, 2001. To obtain the plate, a person must get a use authorization statement (\$24 contribution) from the American Red Cross and present the statement at the time of registration to the Department of Revenue along with a \$15 fee in addition to the registration fees and other documents which may be required by law. All revenue derived from contributions for this plate, minus reasonable administrative costs, must be deposited and used solely for the purposes of the American Red Cross disaster relief fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Division of Motor Vehicle and Drivers Licensing
Department of Highway and Transportation
Budget and Planning



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